



STAFF REPORT

Revised Staff
Report Only
12/14/20

Agenda Item 2.18

DATE: December 14, 2020
TO: Sacramento Regional Transit Board of Directors
FROM: Brent Bernegger, VP, Finance/CFO
SUBJ: APPROVING MCIMETRO ACCESS TRANSMISSION SERVICES CORP (DBA VERIZON) FIBER INSTALLATION IN MULTIPLE LOCATIONS WITHIN SACRT PROPERTIES.

RECOMMENDATION

Adopt the Attached Resolutions.

RESULT OF RECOMMENDED ACTION

Approval of the recommended action will result in SacRT granting Verizon three licenses to install transverse fiber crossings within SacRT owned property subject to Federal Transit Administration (FTA) approval at the following locations:

- Project 1: S Street and 59th Street to Q Street and 69th Street
- Project 2: Arden Way and Oxford Street
- Project 3: Beaumont Street and Arden Way

FISCAL IMPACT

In consideration of granting Verizon the three requested licenses, Verizon will pay SacRT the following one-year license fees, which also include compensation for staff time to oversee installation of the fiber as well as conduct inspections one time during the license term :

- Project 1 will result in one-year license for ~~\$7,830~~ **5,804**
- Project 2 will result in one-year license for ~~\$5,400~~ **5,404**
- Project 3 will result in one-year license for \$5,400

DISCUSSION

Historically, SacRT has granted licenses to various telecommunication companies to allow them to install fiber and conduit within SacRT owned parcels in exchange for a license fee based on the fair market value of the property interest conveyed. In 2009, the Board and FTA approved license rates that staff continues to use. Because the rates are now 11 years old, staff applies a cost of living escalator so that the fee is a more accurate representation of the current fair market value of the interest conveyed. Staff is currently in the process of procuring appraisal services to update these rates and expects to have completed the project by the end of 2021. Because an updated fee schedule will be established within a year's time, staff and Verizon negotiated a one-year license term and the license fees included in the License Agreements only cover a one-year term. Upon establishing new rates, SacRT and Verizon will negotiate a

renewal of the license agreements and agree to longer term license agreements based on the new rates. Thus, the licenses are for only a one-year term with the intent to renew them for a longer term once the new rates are established.

Verizon has been adding fiber throughout the Sacramento Metro Region to continue providing its clients better quality service. The proposed path of travel for their fiber crosses SacRT properties in a number of locations. Verizon has requested that SacRT grant it licenses at each identified location so that Verizon can install fiber below and perpendicular to SacRT tracks in multiple locations. Verizon would like SacRT to consider three locations individually, hoping all will be accepted, but not wanting any one location's non-acceptance to influence the approval of the remainder. SacRT's grant of each license is conditioned on the FTA concurring in the proposed use by Verizon. If the FTA does not concur, the License Agreement requires Verizon to remove the fiber and conduit from the license areas.

Following is a description of each proposed installation site and a description of each location SacRT will be granting Verizon a license over:

Project 1: S Street and 59th Street to Q Street and 69th Street - Installation of 45.97 feet of 4-inch conduit to include ~~432~~ **72** strands of fiber in a transverse presentation along SacRT property with the APN 011-0010-003-0000 and located in Fee Schedule Zone 1.

Project 2: Arden Way and Oxford Street - Installation of 35 feet of 2-inch conduit to include ~~96~~ **144** strands of fiber in a transverse presentation along SacRT property with the APN 275-0132-002-0000 and located in Fee Schedule Zone 2.

Project 3: Beaumont Street and Arden Way - Installation of 55.61 feet of 2-inch conduit to include 72 strands of fiber in a transverse presentation along SacRT property with the APN 275-0156-005-0000 and located in Fee Schedule Zone 2.

Staff recommends approval of the three licenses over the areas described above with MCIMetro Access Transmission Services Corp (DBA Verizon) for fiber installation at the above locations.

RESOLUTION NO. 20-12-0146

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 14, 2020

APPROVING MCIMETRO ACCESS TRANSMISSION SERVICES CORP (DBA VERIZON) FIBER INSTALLATION AT S STREET AND 59TH STREET TO Q STREET AND 69TH STREET

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Licenses Agreement for Installation of Conduit and Fiber within SacRT's Parcel known as Assessor Parcel Number 011-0010-003-000 by and between the Sacramento Regional Transit District (therein "SacRT") and MCIMetro Access Transmission Services Corp (DBA Verizon) (therein "Licensee"), whereby SacRT grants Verizon a License with a term of one year subject to SacRT's right to terminate pending Federal Transit Administration's concurrence, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute the foregoing License Agreement.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 20-12-0151

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 14, 2020

APPROVING MCIMETRO ACCESS TRANSMISSION SERVICES CORP (DBA VERIZON) FIBER INSTALLATION AT ARDEN WAY AT OXFORD STREET

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Licenses Agreement for Installation of Conduit and Fiber within SacRT's Parcel known as Assessor Parcel Number 275-0132-002-0000 by and between the Sacramento Regional Transit District (therein "SacRT") and MCIMetro Access Transmission Services Corp (DBA Verizon) (therein "Licensee"), whereby SacRT grants Verizon a License with a term of one year subject to SacRT's right to terminate pending Federal Transit Administration's concurrence, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute the foregoing License Agreement.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 20-12-0152

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 14, 2020

APPROVING MCIMETRO ACCESS TRANSMISSION SERVICES CORP (DBA VERIZON) FIBER INSTALLATION AT BEAUMONT STREET AND ARDEN WAY

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Licenses Agreement for Installation of Conduit and Fiber within SacRT's Parcel known as Assessor Parcel Number 275-0156-005-0000 by and between the Sacramento Regional Transit District (therein "SacRT") and MCIMetro Access Transmission Services Corp (DBA Verizon) (therein "Licensee"), whereby SacRT grants Verizon a License with a term of one year subject to SacRT's right to terminate pending Federal Transit Administration's concurrence, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute the foregoing License Agreement.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary